

SPECIAL PURPOSE REPORT

July 10, 2023



Feasibility Calculations and Report on BDCD's Proposed Wastewater Treatment Plant Project vs. Remaining a Wholesale Treatment Customer

Ben Davis Conservancy District - IDEM NPDES Permit Application

SPECIAL PURPOSE REPORT

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DEFINITIONS

BDCD	BEN DAVIS CONSERVANCY DISTRICT
CEG	CITIZEN'S ENERGY GROUP
DLGF	DEPARTMENT OF LOCAL GOVERNMENT FINANCE
EDU	EQUIVALENT DWELLING UNIT
GPD	GALLONS PER DAY
I/I	INFILTRATION & INFLOW
IDEM	INDIANA DEPARTMENT OF ENVIRONMENTAL MGMT
MGD	MILLION GALLONS PER DAY
NPDES	NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
OM&R	OPERATION MAINTENANCE & REPLACEMENT COSTS
PER	PRELIMINARY ENGINEERING REPORT
SRF	STATE REVOLVING FUND
WWTP	WASTEWATER TREATMENT PLANT

July 10, 2023

Mr. Paul Higginbotham, Deputy Asst. Commissioner
Office of Water Quality
Indiana Dept. of Environmental Management
100 North Senate Ave
Indianapolis, IN 46204

Re: Application of Ben Davis Conservancy District – NPDES Permit

Pursuant to our agreement, Krohn & Associates has performed the following services in relation to the application of Ben Davis Conservancy District (“BDCD”) for a new NPDES Permit:

- Task: A The Contractor shall provide financial consulting services to analyze the projected “Residential Indicator” and related projections of hypothetical capital costs, operation maintenance & replacements costs and debt retirement requirements (The “Documentation”) associated with the proposed wastewater treatment plant (“WWTP”) project by Ben Davis Conservancy District (The “District”).
- Task: B The Contractor shall have access to the District’s publicly available records regarding existing customer base characteristics and current monthly billings for 2021 and/or 2022. The Contractor shall have access to the District’s metered flows to Citizens Energy Group’s WWTP, to the extent that such information is publicly available. IDEM Office of Water Quality (OWQ) shall make the Documentation available for review upon commencement of the Contract.
- Task: C The Contractor shall discuss its observations and findings with IDEM/OWQ via teleconference or in-person meeting.
- Task: D The Contractor shall provide a report documenting the review and analysis of the Documentation, and provide any additional documentation used for the analysis to IDEM/OWQ.

Our initial studies included analysis of various documents provided by IDEM Officials relative their ongoing consideration of the NPDES application in question. Documents included various filings by BDCD: Permit Application, PERs, updated WWTP construction cost projections in 2022, Historical & Projected Flows and Treatment Cost Projections assuming CEG wholesale treatment contract, Anti-degradation Submittals and other documents. We also looked at BDCD’s Annual Financial Reports filed on Gateway (IN.gov).

Scope Limitations & BDCD PER Financial Concerns

There was a material “scope limitation” in that several requests were made to BDCD to provide CEG invoices and monthly flow data for 2021 and 2022. However, BDCD refused to provide such additional information. Table 1, below, compares the BDCD projected CEG treatment charges for 2020, 2021 & 2022 (Per BDCD IDEM submittals) with the actual expenditures reported to the Indiana Dept. of Local Government Finance (DLGF) on Gateway, as reported by BDCD. Actual cash expenditures for wholesale treatment were materially less than what BDCD projected in their PER and NPDES Permit submittals. Conversely, BDCD’s other OM&R expenditures were quite a bit more than what was projected in their IDEM submittals. BDCD’s DLGF Budget filing for 2023 (Form 1) projected wholesale treatment charges of \$1.7M vs. the \$2.2M identified in Table 1, below.

TABLE 1.			
PER REPORT CONCERNS REGARDING BDCD PROJECTIONS::			
	BDCD's ESTIMATES	CASH BASIS ACTUAL	VARIANCE
CWA TREATMENT COSTS (BDCD PROJECTIONS VS ACTUAL):	<i>(DEG. REPORT)</i>	<i>(GATEWAY AFR)</i>	<i>(OVERSTATED)</i>
2020 CEG TRMT COST ESTIMATES VS. ACTUAL	1,091,196	1,038,999	52,197
2021 CEG TRMT COST ESTIMATES VS. ACTUAL	1,549,206	1,349,201	200,005
2022 CEG TRMT COST ESTIMATES VS. ACTUAL	1,869,165	1,323,402	545,763
2023 CEG TRMT COST ESTIMATES VS. ACTUAL	2,218,470	1,700,000	DLGF Budgeted Amt
2024 CEG TRMT COST ESTIMATES VS. ACTUAL	2,469,882		
2025 CEG TRMT COST ESTIMATES VS. ACTUAL	2,721,294		
2026 CEG TRMT COST ESTIMATES VS. ACTUAL	2,931,315		
OTHER OM&R COSTS (BDCD PROJECTIONS VS ACTUAL):			
	BDCD's ESTIMATES	CASH BASIS ACTUAL	VARIANCE
	<i>(DEG. REPORT)</i>	<i>(GATEWAY AFR)</i>	<i>(UNDERSTATED)</i>
2020 BDCD OM&R COST ESTIMATES VS. ACTUAL	1,280,863	1,203,747	77,116
2021 BDCD OM&R COST ESTIMATES VS. ACTUAL	1,116,893	1,367,258	(250,365)
2022 BDCD OM&R COST ESTIMATES VS. ACTUAL	1,139,231	1,257,090	(117,859)
2023 BDCD OM&R COST ESTIMATES VS. ACTUAL	1,162,015		
2024 BDCD OM&R COST ESTIMATES VS. ACTUAL	1,185,256		
2025 BDCD OM&R COST ESTIMATES VS. ACTUAL	1,208,961		
2026 BDCD OM&R COST ESTIMATES VS. ACTUAL	1,233,140		
<i>BDCD's ESTIMATED CWA TREATMENT COSTS WERE OVERSTATED AND OTHER OM&R COSTS WERE UNDERSTATED.</i>			

These material variances create more questions than answers with respect to the overall projections put forth by BDCD in their proposal to construct their own WWTP and abandon wholesale service currently provided by CEG. Again, requests were made to obtain additional information that may have shed light on these differences. However, the only publicly available information was obtained from BDCD’s Gateway Reports and DLGF Budget filings. Based upon the information publicly available, it leads one to believe that the projected costs in the PER and permit submittals may not be reliable.

In May, 2023, BDCD filed a PER with the State Revolving Fund (SRF) for a proposed Collection System Rehabilitation project. The PER references the fact that past efforts to make repairs and improvements to the collection system have reduced I/I by 25%. The project proposed in the PER proposes to rehabilitate approximately 30% of the existing collection system (14.5 miles of 52.5 miles of existing sewer mains) and more than 20% of the existing manholes (200 of 986 total manholes) at a total cost of \$4.6M. Such a project is sure to have a positive impact on further I/I reductions. The PER also included a Table (below – PER Table VIII) that indicates that actual average daily flows in 2021 and 2022 amounted to only 2.3 MGD versus the 3.0 MGD that was

purported in BDCD’s WWTP PER and NPDES Submittals. This indicates that BDCD’s projected wholesale treatment flows included in their IDEM submittals may be overstated by approximately 30%. Based upon 2022 actual wholesale treatment costs, BDCD’s projected wholesale treatment costs were overstated by more than 40%.

Note: *Had BDCD provided IDEM with the 2021 and 2022 wholesale billing invoices as requested, perhaps more refined calculations could have been made. However, the BDCD submittals appear to be materially overstated with respect to actual flow volumes and wholesale treatment costs.*

TAI, PER		TABLE VIII HISTORICAL FLOWS & WASTELOADS Ben Davis Conservancy District				May 2023
INFLUENT	Average Daily	Monthly	CBOD	TSS	NH3-N	
<u>2019</u>	Flows (MGD)	Flow	(mg/l)	(mg/l)	(mg/l)	
January	4.21	130.47	0.0	0.0	0.0	
February	5.05	141.53	0.0	0.0	0.0	
March	3.30	102.38	84.9	109.0	6.4	
April	5.15	154.56	25.0	26.0	3.6	
May	3.77	116.87	25.0	26.0	3.6	
June	3.67	109.99	8.2	26.0	3.6	
July	2.56	79.29	166.0	274.0	20.2	
August	1.72	53.27	127.0	157.0	32.7	
September	1.43	42.92	142.0	388.0	29.7	
October	1.53	47.38	130.0	174.0	28.7	
November	1.41	42.41	109.0	169.0	21.4	
December	2.69	83.44	93.6	175.0	10.6	
<u>2020</u>						
January	4.71	146.05	89.2	162.0	12.4	
February	3.04	88.21	14.7	21.2	1.8	
March	3.96	122.64	73.7	109.0	5.9	
April	2.25	67.54	170.0	270.0	11.1	
May	2.91	90.08	74.4	95.0	12.4	
June	2.07	61.95	76.1	116.0	8.1	
July	2.08	64.44	77.9	198.0	7.8	
August	2.29	71.06	83.6	202.0	19.0	
September	1.48	44.37	184.0	257.0	23.2	
October	1.47	45.48	106.0	299.0	34.2	
November	2.34	72.52	115.0	154.0	17.7	
December	1.76	54.46	198.0	157.0	11.5	
<u>2021</u>	2.27	69.1	37.1	49.9	9.9	
<u>2022</u>	2.32	70.2	38.2	54.7	4.9	
Daily Avg	2.77	83.56	86.5	141.1	13.1	
Limit	4.00		250.0	300.0	20.0	

2022 BDCD Equivalent Monthly Sewer Revenue – Per EDU

Based upon the 2023 BDCD Annual Budget Report (Form 1) filed on Gateway, BDCD’s annual expenditures are anticipated to amount to \$3.75M. The 2023 DLGF Budget Order approved a \$.21 per \$100 Special Benefits Tax, while the 2023 BDCD Sewer Rates establish a \$40 monthly user charge per EDU. The combined 2023 projected tax revenues and user fees amount to nearly \$3.9M or \$57 to \$58 per month per EDU (Equivalent Dwelling Unit). See Table 2, below:

TABLE 2. BASED UPON \$40 PER MO. PER EDU, PLUS \$.21 PER \$100 OF A.V.				
2023	2023	2023		MO. COST
TAX REVENUE	USER FEES	TOTAL	EDU'S	PER EDU
\$ 1,199,771	\$ 2,691,840	\$ 3,891,611	5,608	\$57.83

BDCD projected that their 2023 monthly rate per EDU would only amount to \$50.23 per month.

Potential Impact of Overstated CEG Treatment Costs

Table 3, below, restates the potential impact of BDCD’s projections related to future CEG wholesale treatment costs being overstated by 30%, based upon BDCD’s reported 2.3MGD average daily flows vs. 3.0MGD assumed average daily flows. It should be noted that these flows do not reflect any further I/I reductions attributable to the proposed sewer rehabilitation / replacement projects that are currently being planned nor any future additional rehab projects.

TABLE 3. SENSITIVITY ANALYSIS: CEG WHOLESALE TREATMENT COSTS BDCD VERSUS RESTATED TREATMENT COST PROJECTIONS						
<i>ASSUMES BDCD WHOLESALE TREATMENT FLOWS / COSTS OVERSTATED BY 30%</i>						
	BDCD's ESTIMATES	ACTUAL & RESTATED	ASSUMED OVERSTATEMENT	IMPACT ON BDCD PROJECTED MONTHLY RATE PER EDU	BDCD PROJECTED MONTHLY RATE PER EDU	RESTATED BDCD RATE PER EDU
	<i>(2022 IDEM FILING)</i>	<i>(30% OVERSTATEMENT)</i>				
2020	\$1,091,196	\$1,038,999	\$52,197			
2021	\$1,549,206	\$1,349,201	\$200,005			
2022	\$1,869,165	\$1,323,402	\$545,763			
2023	\$2,218,470	\$1,700,000	\$518,470	-\$7.70	\$50.23	\$42.53
2024	\$2,469,882	\$1,899,909	\$569,973	-\$8.47	\$54.31	\$45.84
2025	\$2,721,294	\$2,093,303	\$627,991	-\$9.33	\$58.40	\$49.07
2026	\$2,931,315	\$2,254,858	\$676,457	-\$10.05	\$61.88	\$51.83
2027	\$3,141,227	\$2,416,328	\$724,899	-\$10.77	\$65.37	\$54.60
2028	\$3,351,248	\$2,577,883	\$773,365	-\$11.49	\$68.86	\$57.37
2029	\$3,561,159	\$2,739,353	\$821,806	-\$12.21	\$72.36	\$60.15
2030	\$3,632,382	\$2,794,140	\$838,242	-\$12.46	\$73.81	\$61.35
2031	\$3,705,030	\$2,850,023	\$855,007	-\$12.71	\$75.29	\$62.58
2032	\$3,779,130	\$2,907,023	\$872,107	-\$12.96	\$76.79	\$63.83
2033	\$3,854,713	\$2,965,164	\$889,549	-\$13.22	\$78.33	\$65.11
2034	\$3,931,807	\$3,024,467	\$907,340	-\$13.48	\$79.90	\$66.42
2035	\$4,010,443	\$3,084,956	\$925,487	-\$13.75	\$81.49	\$67.74

NOTE: THE RESTATED PROJECTIONS ABOVE DO NOT TAKE INTO ACCOUNT EXPECTED I/I REDUCTIONS FROM PROPOSED CURRENT & FUTURE SEWER REHABILITATION PROJECTS. WHOLESALE TREATMENT COSTS SHOULD EXPERIENCE FURTHER REDUCTIONS.

Simply restating the projected flow volumes, from 3.0 MGD to 2.3 MGD, takes away the purported benefits of BDCD constructing a new WWTP without consideration of BDCD’s actual OM&R costs and potential capital costs of constructing a proposed new WWTP.

Capital Costs of Constructing New WWTP for BDCD

BDCD's various filings with IDEM originally purported a total project cost of \$15.5M (or \$3.88 per GPD) and an annual OM&R allowance of \$230,000 per year for the WWTP. BDCD's more recent updated estimates (May, 2022) now assume a total project cost of \$23M (\$5.75 per GPD) and an annual OM&R allowance of \$900,000 for the WWTP – assuming the Neeld WWTP site. These estimates are now over a year old and likely would be higher in 2023 dollars.

For purposes of a sensitivity analysis, if capital costs were to actually amount to between \$7 to \$11 per gallon per day, total project costs could amount to as much as \$28M to \$44M. Two recent WWTP projects funded through the SRF program include Western Wayne County Regional Sewer District and Greenfield Municipal Sewage Works. Western Wayne upgraded a .6 MGD WWTP to 1.8 MGD at a total cost of \$21M (\$11.56 per GPD), while the City of Greenfield is constructing a brand new 8.0 MGD WWTP for \$76M (\$9.50 per GPD). Note: *Total Greenfield WWTP costs actually amounted to \$86M due to extra-ordinary site work. \$76M reflects just the WWTP construction and related engineering costs.*

While BDCD's more recent capital cost estimates have increased from \$3.88 per GPD to \$5.75 per GPD, there is concern that actual project capital costs could be higher. Table 4 (below) identifies the potential updated project option for BDCD to construct their own WWTP and to abandon its long-time relationship with CEG (formerly Indianapolis DPW) as its wholesale treatment provider. In addition to the potential overstatement of wholesale treatment costs previously noted in Table 3, there is concern regarding the sufficiency of the estimated capital cost projections. Therefore, in order to assess the sensitivity of the purported capital cost assumptions, we have included an illustration of an assumed capital cost of \$7 to \$10 per GPD based upon other recent WWTP construction projects in Table 4.

BDCD has projected estimated monthly user fees amounting to \$56.87 per EDU assuming a \$22M bond issue amortized over 25 years at a rate of 3.65%. Under current bond market conditions, obtaining a 3.65% interest rate for a 25 year bond issue would be a very favorable interest rate, particularly without funding through the Indiana Finance Authority. Considering that the 2023 effective rate per EDU noted above already amounts to \$57.83 per month, it is difficult to believe that BDCD's projected rate of \$56.87 is realistic. That said, in our sensitivity analysis illustration we have not increased the financing assumptions or the OM&R assumption, only the actual bond principal amount (i.e. \$28M to \$40M bond issue rather than \$22M). We have also maintained the bare minimum bond coverage ratio as put forth in the IDEM submittal by BDCD (125% of annual debt service payments). If the District were to fully fund its Depreciation Allowance, the total monthly rate per EDU could be considerably higher. In short, if actual construction costs require a \$28M to \$40M bond issue, the average monthly rate per EDU could increase by as much as \$20 per month for the Neeld WWTP (i.e. \$64 to \$77 per month vs. \$57 per month).

TABLE 4. SENSATIVITY ANALYSIS OF BDCD CAPITAL COST PROJECTIONS			
<i>BDCD's UPDATED CAPITAL COSTS PROJECTED TO AMOUNT TO \$5.75 PER GPD</i>			
	ASSUMED WWTP TOTAL COST RANGE		
ASSUMED BOND SIZING	<u>\$22,000,000</u>	<u>\$28,000,000</u>	<u>\$40,000,000</u>
<i>ASSUMED CAPITAL COST PER GPD</i>	<i>\$5.75</i>	<i>\$7.00</i>	<i>\$10.00</i>
ANNUAL DEBT SERVICE (ASSUMES 25 YRS @ 3.65%)	\$1,356,650	\$1,726,645	\$2,466,636
DEBT SERVICE RESERVE / COVERAGE (MINIMUM 25%)	\$339,162	\$431,661	\$616,659
ASSUMED WWTP O&M COSTS	\$900,000	\$900,000	\$900,000
BDCD ASSUMED NON-TRMT OM&R	\$1,231,000	\$1,231,000	\$1,231,000
TOTAL BDCD REVENUE REQUIREMENTS	\$3,826,812	\$4,289,306	\$5,214,295
BASELINE BDCD REVENUE REQUIREMENTS	\$3,826,812	\$3,826,812	\$3,826,812
PROJECTED VARIANCE - CAPITAL COST INCREASES		\$462,494	\$1,387,483
IMPACT ON BDCD COST PER EDU		\$6.87	\$20.62
BDCD PROJECTED MONTHLY RATE (1)	\$56.87	\$56.87	\$56.87
IMPACT ON BDCD PROJECTED RATE		\$63.74	\$77.49
<i>(1) IT SHOULD BE NOTED THAT BDCD's ACTUAL 2023 RATE PER EDU AMOUNTS TO \$57.83 VERSUS THE \$50.23 PROJECTED RATE PURPORTED IN THEIR IDEM SUBMITTALS. OTHER THINGS BEING EQUAL, THE RESTATED BDCD RATE COULD BE APPROXIMATELY \$7.00 HIGHER PER EDU PER MONTH.</i>			

Considerations & Implications of Projected BDCD Treatment Options

Based upon 2022 actual CEG treatment costs and BDCD’s 2023 DLGF budget for CEG treatment costs, it suggests that the wholesale treatment charges included in BDCD’s IDEM Submittals are overstated by at least 30%. Table 3 restated this potential overstatement, but does not incorporate any other adjustments that could reasonably be anticipated (i.e. further I/I reductions due to sewer rehabilitation projects).

Table 4 (above) identifies the sensitivity of potential understatement of the cost of constructing a new WWTP assuming that actual construction costs were to amount to between \$7 to \$10 per GPD instead of the \$5.75 per GPD as projected by BDCD. If construction costs were to amount to as much as \$10 per GPD, as has been the case in other recent new WWTP projects, the BDCD projected monthly rates could increase by as much as \$20 per month.

Table 5 (below) compares the restated CEG wholesale treatment rate impacts with BDCD’s projected monthly rates assuming that the District constructs its own WWTP and abandons CEG as its wholesale treatment service provider. No other assumption changes were made in this comparison. With respect to the Neeld WWTP option (assuming \$5.75 per GPD), remaining on CEG results in lower rates for BDCD ratepayers through 2028. Between 2027 and 2029, BDCD made some aggressive wholesale rate increase assumptions that create a slightly higher monthly rate for the CEG wholesale option in 2029 and thereafter. However, if capital costs amount to between \$7 to \$10 per GPD, remaining on CEG for wholesale treatment service is most cost effective, without even considering potential for further I/I reductions or if actual WWTP O&M costs were to amount to anything greater than what BDCD included in their projections.

TABLE 5. SENSITIVITY ANALYSIS ON BDCD ASSUMPTIONS FOR BILLED FLOWS AND CAPITAL COST
BDCD RESTATED WHOLESALE TRMT COSTS VERSUS BDCD NEELD WWTP COST PROJECTIONS
RESTATED BDCD WHOLESALE TREATMENT COSTS FOR ESTIMATED 30% OVERSTATEMENT IN BDCD IDEM SUBMITTAL
RESTATED BDCD PROJECTED CAPITAL COSTS OF CONSTRUCTING NEW WWTP (COST PER GPD: \$5.75 VS. \$7.00 VS. \$10.00)

	BDCD'S PROJECTED COST PER EDU	IMPACT ON BDCD MONTHLY RATE / EDU	BDCD RATE PER EDU RESTATED CEG COST	BDCD RATE PER EDU WWTP @ \$5.75 / GPD	RESTATED RATE / EDU WWTP @ \$7.00 / GPD	BDCD RATE PER EDU WWTP @ \$10.00 / GPD
	<i>CEG TRMT OPTION</i>	<i>ADJMT FOR 30% FLOW OVERSTATEMENT</i>	<i>CEG TRMT OPTION</i>	<i>PER BDCD IDEM FILING BEFORE RESTATEMENT</i>	<i>\$6.87</i>	<i>\$20.62</i>
2020	\$35.25					
2021	\$39.62					
2022	\$44.70					
2023	\$50.23	-\$7.70	\$42.53			
2024	\$54.31	-\$8.47	\$45.84	\$56.32	\$63.19	\$76.94
2025	\$58.40	-\$9.33	\$49.07	\$56.67	\$63.54	\$77.29
2026	\$61.88	-\$10.05	\$51.83	\$57.03	\$63.90	\$77.65
2027	\$65.37	-\$10.77	\$54.60	\$57.40	\$64.27	\$78.02
2028	\$68.86	-\$11.49	\$57.37	\$57.77	\$64.64	\$78.39
2029	\$72.36	-\$12.21	\$60.15	\$58.15	\$65.02	\$78.77
2030	\$73.81	-\$12.46	\$61.35	\$58.54	\$65.41	\$79.16
2031	\$75.29	-\$12.71	\$62.58	\$58.94	\$65.81	\$79.56
2032	\$76.79	-\$12.96	\$63.83	\$59.34	\$66.21	\$79.96
2033	\$78.33	-\$13.22	\$65.11	\$59.76	\$66.63	\$80.38
2034	\$79.90	-\$13.48	\$66.42	\$60.18	\$67.05	\$80.80
2035	\$81.49	-\$13.75	\$67.74	\$60.61	\$67.48	\$81.23

NOTE: THE RESTATED PROJECTIONS ABOVE DO NOT TAKE INTO ACCOUNT EXPECTED I/I REDUCTIONS FROM PROPOSED SEWER REHABILITATION PROJECTS. WHOLESALE TREATMENT COSTS SHOULD EXPERIENCE FURTHER REDUCTIONS. ACTUAL 2023 BDCD AVERAGE COST PER EDU = \$57.83 (\$7.50 MORE THAN BDCD'S ESTIMATES INCLUDED IN THE IDEM SUBMITTAL.

Pursuant to discussions with engineers and utility professionals, including representatives of SRF, IURC and based upon recent WWTP construction projects of which I have served as rate consultant and municipal advisor, there is legitimate concern that BDCD’s projected capital costs could be understated. At a minimum, accrued inflation over the past 15 months would likely amount to more than a million dollars. In addition to the potential understatement of capital costs, it appears that actual average daily wholesale treatment flows are likely overstated by approximately 30% in BDCD’s cost comparison projections. The restated monthly rate projections (Table 5 above) present a much different potential result to BDCD’s residential rate projections, without even considering further I/I reductions or whether actual WWTP O&M costs come in greater than what BDCD predicts.

Conclusions

Once the BDCD average daily flow volumes (2.3MGD) replace the volumes put forth in the District’s cost of service projections (3.0MGD), the cost-benefit analysis favors the District remaining a wholesale customer of CEG, particularly if continued sewer rehabilitation efforts are successful. Even BDCD’s best case scenario (Neeld WWTP @ \$5.75 capital cost per GPD), potential future rate differentials are nominal and initial rates (thru 2028) are less under the CEG wholesale treatment option. BDCD made some aggressive wholesale rate increase assumptions between 2026 and 2029, yet did not assume any OM&R inflation for the District’s assumed WWTP operating costs nor did they include any future reductions in I/I. Investing in I/I reduction projects should further reduce wholesale treatment flows and costs. If construction costs for the Neeld WWTP turned out to be just \$7.00 per GPD, that would eliminate the nominal economic benefit in BDCD’s restated residential rate projections. And, if actual construction costs approach even higher amounts (i.e. \$8 to \$10 per GPD), the economic benefit comparison would overwhelmingly favor remaining a wholesale customer of CEG.

O. W. Krohn & Associates, LLP